



## Wisconsin Health Insurance Risk Sharing Plan (HIRSP)

Division of Health

Department of Health and Family Services

6406 Bridge Road, HIRSP Suite 18 • Madison, WI 53784-0018

Phone (608) 221-4551 1(800) 828-4777

July 28, 1998

Dear Pharmacist:

The Department of Health and Family Services (DHFS) has contracted with the Wisconsin Medicaid fiscal agent (EDS) to process Health Insurance Risk Sharing Plan (HIRSP) claims and related services effective July 1, 1998. Please pass this information on to your billing service or corporate office.

Effective July 1, 1998, HIRSP no longer contracts with ProVantage for processing HIRSP pharmacy claims. Please discontinue submitting claims through ProVantage for HIRSP policyholders. HIRSP pharmacy claims must be billed directly to HIRSP by the policyholder or the pharmacy. If the pharmacy collects payment from the policyholder prior to HIRSP processing, please check "No" in the accept assignment box on the HIRSP pharmacy claim form for reimbursement to the policyholder. HIRSP pharmacy claim forms can be obtained by calling HIRSP customer service at the numbers listed in the additional information section in this notification.

Legislation effective January 1, 1998, prohibits providers from balance billing HIRSP policyholders for amounts other than coinsurance and deductibles for all covered expenses. Providers must accept the HIRSP payment rate as payment in full for covered expenses. The provider cannot bill policyholders for the difference between the charge for the service and the amount paid by HIRSP. Policyholders, however, can be charged for noncovered services. If the HIRSP payment is different from the policyholder payment, an adjustment from the pharmacy to the policyholder will need to occur. To eliminate any type of adjustment after payment has occurred, refer to the HIRSP reimbursement section in this notification.

Policyholders will be encouraged to bring with them their monthly policyholder explanation of benefits statement that indicates the amount of remaining deductible that the policyholder must pay. This can be used to determine the deductible amount to collect if you bill and receive payment from HIRSP. After the entire deductible amount has been met, policyholders on Plan 1 are responsible for a coinsurance amount that can be calculated at 20% of the allowed amount. Coinsurance does not apply for policyholders on Plan 2. A sample policyholder explanation of benefits is attached.

At this time no drugs will require prior authorization. However, claims will be reviewed for medical necessity by a medical consultant. Prior authorization requirements will be implemented after provider notification has occurred.

### **HIRSP PHARMACY COVERED SERVICES**

HIRSP covered services include compound drugs, lipids, pharmaceutical care, durable medical equipment, and disposable medical supplies. HIRSP covers prescription legend drugs and insulin. Compound drugs, lipids, and pharmaceutical care are reimbursed according to Medicaid guidelines.

### **HIRSP REIMBURSEMENT**

HIRSP reimbursement effective July 1, 1998, is generally Medicaid reimbursement. Pharmacists are to bill allowed charges, **not** usual and customary charges. To determine the allowed charge to bill HIRSP directly or to collect from the policyholder, use the following formulas and dispensing fees:

#### **BRAND NAME DRUGS AND GENERIC DRUGS NOT ON THE MAC LIST**

Average Wholesale Price (AWP) - 10% + Dispensing Fee (see allowed dispensing fees below).

#### **GENERIC DRUGS ON THE MAC LIST**

Wisconsin Medicaid Maximum Allowable Cost (MAC) + Dispensing Fee (see allowed dispensing fees below). The MAC list is attached, and is updated quarterly through the Medicaid pharmacy handbook replacement pages.

### **DISPENSING FEES**

For all dates of service, the allowed traditional dispensing fee is \$4.38 (equal to Medicaid's dispensing fee of \$4.88 - \$.50 reduction).

For all dates of service, the allowed unit dose dispensing fee is \$6.44 (equal to Medicaid's dispensing fee of \$6.94 - \$.50 reduction).

### **ELECTRONIC BILLING**

If you are a Medicaid provider currently billing electronically for Medicaid claims, the same electronic billing options and formats are used for HIRSP claims with minor differences. If you bill pharmacy claims electronically via tape or 3780 transmission, for HIRSP claims, **change the version code on the "DT" record, in positions 11-16 to "070198"**. For Medicaid claims continue to use version code "100193".

Electronic pharmacy claims submitted by the provider can be paid to the policyholder by indicating the policyholders last name in the facility provider field on the "1" record in positions 41-48.

Providers do not need to complete another electronic provider agreement for HIRSP electronic claims. Medicaid and HIRSP claims must be billed on separate tapes or transmissions.

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If you bill electronically via modem transmission, or have any questions, contact the Electronic Media Claims (EMC) Department at (608) 221-4746. An EMC coordinator will contact you within 24 hours.

**ADDITIONAL INFORMATION**

A HIRSP provider handbook will be mailed to you with more specific HIRSP billing information. If additional information is needed, refer to the following HIRSP contacts:

For inquiries regarding HIRSP benefits or claims,

HIRSP Customer Service  
Suite 18  
6406 Bridge Road  
Madison, WI 53784-0018  
(800) 828-4777 or (608) 221-4551

Requests for Medicaid certification,

Provider Maintenance  
EDS  
6406 Bridge Road  
Madison, WI 53784-0006  
(800) 947-9627 or (608) 221-9883

Information on electronic billing,

Electronic Media Claims  
EDS  
6406 Bridge Road  
Madison, WI 53784-0009  
(608) 221-4746

Thank you for your patience during this transition period.

Sincerely,

HIRSP Customer Service